

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 04-08	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: April 1, 2004	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT a. FFY '04 \$ 3.6 million b. FFY '05 \$ 7.2 million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pages 42	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, pages 42	
10. SUBJECT OF AMENDMENT:		

Local Education Agency Fee for Service General Administration Costs

11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Not submitted for review by prior approval.		16. RETURN TO: Illinois Department of Public Aid Bureau of Program and Reimbursement Analysis Attn: Frank Kopel, Chief 201 South Grand Avenue East Springfield, IL 62763-0001
12. SIGNATURE OF AGENCY OFFICIAL:		
13. TYPED NAME: Barry S. Maram		
14. TITLE: Director of Public Aid		
15. DATE SUBMITTED		

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: June 30, 2004	18. DATE APPROVED: SEP 24 2004
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/04	20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>
21. TYPED NAME: Cheryl A. Harris	22. TITLE: ARA, Division of Medicaid and Children's Health
23. REMARKS:	

Illinois (04-08)
Approved: 09/24/04
effective: 04/01/04

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES, OTHER TYPE OF CARE -
BASIS FOR REIMBURSEMENT

04/01/04

Special Rehabilitation Services and Non-emergency Transportation Services Provided by Local Education Agencies

Reimbursement for each service will be based on the cost incurred by the local education agency (LEA) in providing a 15-minute unit of that service. The cost shall be determined annually by using the uniform cost calculation methodology established by the Department and may include the cost of practitioners, materials and supplies necessary to provide the service, and indirect costs. The value of educational resources will be specifically excluded from the cost determination. All costs must be documented, based on the previous fiscal year's costs and inflated to the midpoint of the current fiscal year, using the most recently published Medical Economic Index available to the Department.

In the event that no historical costs exist for a specific practitioner, the LEA shall estimate the cost of providing the service for the current year, based on the calculation below, using an inflation rate of 0% for Row ~~A~~ P. Following the completion of a school year, a revised cost calculation form must be submitted to the Department using actual costs. Rates will be adjusted in the event of any overstatement of costs.

LEA-specific costs of providing an individual service, other than those for non-emergency transportation, shall be determined for each service, using the following calculation:

A.	Total full time equivalents providing this service.	_____	
B.	Total annual hours service providers were required to work	_____	
C.	Total annual hours service providers worked on the provision of service, including prep/follow up and face-to-face time	_____	
D.	Percent of hours providing this service (quotient of C divided by B)	_____ %	
E.	Percent of hours service providers worked on the face-to-face provision of this service	_____ %	
F.	Total annual hours service providers worked on the face to face provision of this direct service. (product of C and E)	_____	
G.	Total amount of salaries and benefits paid to relevant service providers	\$ _____	
H.	Total amount of salaries and benefits related to this service (product of D and G)		\$ _____
I.	Cost of non-salary expenses attributable to the provision of this service		\$ _____
J.	<u>Percent of general administrative time attributable to fee-for-service</u>	_____	
K.	<u>General administrative cost component (product of H and J)</u>	_____	
L.	Total direct cost of providing service (sum of H and I <u>I</u> and K)		\$ _____
M.	Indirect cost rate	_____ %	
N.	Indirect cost of providing service (product of J and K <u>L</u> and M)		\$ _____
O.	Last year's total cost of providing service (sum of J and L <u>L</u> and N)		\$ _____
P.	Inflationary adjustment rate	_____ %	
Q.	Inflationary cost (product of M and N <u>O</u> and P)		\$ _____
R.	Total current cost (sum of M and O <u>O</u> and Q)		\$ _____
S.	Hourly cost of providing this service (quotient of P R <u>R</u> divided by F)		\$ _____
T.	Cost per 15 minute billing unit (quotient of Q S <u>S</u> divided by 4)		\$ _____

Total hours providing a service reported in row C above must include the sum of face-to-face time as defined in Code H.3.b., as well as preparatory and follow-up time as defined in Code H.3(a) of the Illinois Guide for School-Based Health Services Administrative Claiming.

General administrative percentage attributable to fee for service (row J) shall be an annual determination based on the state-wide average of the most recently available quarter of time study data from the Illinois Guide for School-based Health Services Administrative Claiming and shall equal the practitioner's percentage of time reported under general administrative activities (time study Code G) multiplied by the percentage of total time reported under direct services (time study Codes H.3.a. and H.3.b), divided by the difference of one minus the percentage of time in Code G.

No. 04-08Approval Date SEP 24 2004Effective Date 04-01-04

Supersedes

TN No. 04-04